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14 May 1974

MEMORANDUM FOR: Special Assistant to the ADDO

: S. 3418, Federal Privacy Board SUBJECT

The Agency would appear to be exempt from subject bill under the provision (Sec. 202) which states that

"The provisions of this title shall not apply to personal information systems --

- (1) to the extent that information in such systems is maintained by a Federal agency, and the head of that agency determines that the release of the information would seriously damage national defense."
- 2. A blanket exception for the Agency under Sec. 202 assumes, of course, that our foreign intelligence operations, including covert action, are directly related to "national defense." If there is doubt, the point could be clarified by adding the phrase "or foreign intelligence efforts of the United States" to paragraph 1 of Sec. 202. If this exception were not operable, the consequences of the proposed legislation would be devastating to the Directorate of Operations and the Agency.

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Chief, Information Services Group